

# Rathbone Ethical Bond Fund

Public product-level sustainability report

Manager: Rathbones Asset Management

Product Reference number: 196624

Reporting period: December 2024 to December 2025

# Sustainability approach

## Introduction

Sustainable investment labels help investors find products that have a specific sustainability objective. The fund does not have a UK sustainable investment label because the fund does not have a specific sustainability objective, however the fund does apply environmental and social criteria (as set out below).

This Sustainability Product Report (“Report”) is published by Rathbones Asset Management in compliance with the Sustainability Disclosure Requirements (“SDR”) of the UK Financial Conduct Authority (“FCA”).

This Report is intended to provide investors with information on the sustainability-related performance of the Rathbone Ethical Bond Fund and to aid them in understanding the Fund’s sustainability characteristics.

## 1 Financial objective

The objective of the fund is to deliver a greater total return than the IA Sterling Corporate Bond sector, after fees, over any rolling five-year period.

There is no guarantee that this investment objective will be achieved over five years, or any other time period.

We use the IA Sterling Corporate Bond sector as a target for our fund’s return because we aim to consistently outperform the average return of our competitors.

## 2 Non-financial objective

The fund aims to promote positive environmental and/or social outcomes alongside its financial return objectives.

The fund aims to promote environmental or social outcomes by investing in and actively engaging with a portfolio of assets that either contribute to one or more of our themes for a more sustainable world:



Decent work



Energy and climate



Habitats and ecosystems



Health and wellbeing



Inclusive economies



Innovation and infrastructure



Resilient institutions



Resource efficiency

Due to the non-financial objective, the fund’s choice of investments is limited to a subset of assets and it may perform differently to funds or other investments that invest without these restrictions.

This report is produced on an annual basis.

# Baseline standards

Assets that fail to meet the fund's minimum baseline standards (both 1A and 1B below), are automatically excluded from the potential pool of investments.

## 1A Exclusionary criteria

Certain investments are automatically excluded from the Fund. The criteria comprise of a mix of revenue based and absolute exclusions and contain exclusions on animal welfare violations, armaments, detrimental climate change impacts, breaches of employment standards, negative impacts on the environment, gambling, breaches of human rights standards, nuclear power, pornography and tobacco.

Assets are screened against third party data and desk-based research is carried out to determine if they breach any of these exclusionary criteria.

The fund applies exclusionary criteria to avoid investing in activities that are of wide concern to ethical and sustainable investors and/or which create significant negative impacts that are considered to be incompatible with sustainable development. These include:

- Activity-based exclusions covering: armaments, alcohol, gambling, tobacco, pornography, animal welfare, fossil fuel production (oil, gas and thermal coal), mining, predatory lending and nuclear power.
- Qualitative, norms-based exclusions that consider controversies relating to: human rights, labour rights and environmental degradation.

Further details of the exclusionary can be found on the fund manager's website in a document:

[https://www.rathbones.com/sites/main/files/literature-files/rathbone\\_ethical\\_bond\\_fund\\_criteria\\_sep\\_25.pdf](https://www.rathbones.com/sites/main/files/literature-files/rathbone_ethical_bond_fund_criteria_sep_25.pdf)

## 1B Positive criteria

The remaining assets must then meet at least one of the fund's positive screening criteria. Our positive criteria look for positive activity or behaviours that either contribute to, or have the potential to contribute to, at least one of the fund's non-financial goals for a more sustainable world which are: Decent work, habitats and ecosystems, inclusive economies, resilient institutions, energy and climate, health and wellbeing, innovation and infrastructure, resource efficiency.

This is an initial qualitative assessment to exclude assets that are not aligned to the fund's non-financial goals.

Assets that pass these screening criteria are then assessed against an analytical framework.

The fund follows a multi-thematic approach to ethical and sustainability factors, considering both social and environmental drivers of sustainable development. Each asset that contributes towards the fund's non-financial objective will align to one or more of the fund's non-financial goals. While our approach to assessing and selecting assets means that assets which conflict with any element of the non-financial objective will not be invested in, it is possible that an individual asset may not support progress in non-financial goals other than those to which it is aligned.

We have standardised the results of our analytical framework to provide a score and key performance indicator (KPI) that is consistent across categories and can be used to assess the degree to which individual assets, or the fund as a whole, are supporting the non-financial objective.

# Sustainability metrics

Sustainability metric	Description	Value (as at 31 December 2025)
The individual asset scores derived from our analytical framework	An indication of the strength of each asset's alignment with social or environmental benefits	See Table A below
Weighted average score of assets, derived from our analytical framework	An indication of the overall alignment of the fund	10.05
The non-financial goals that each individual asset is aligned with or may potentially align with	An indication of the primary area of social or environmental benefits that an asset is linked to. Many assets will deliver benefits across multiple non-financial goal. We report here the principal alignment for each asset	See Table A below
Proportion of assets that conflict with the non-financial objective	A measure of assets that fail the fund's exclusionary and positive selection screening criteria	0%
<b>A</b>	Proportion of assets within the fund that meet the higher threshold of positive alignment	<b>71.00%</b>
<b>B</b>	Proportion of assets within the fund that have the potential to meet the higher threshold of positive alignment	<b>21.25%</b>
<b>Proportion of assets within the fund that meet the requirements of A or B</b>		<b>92.25%</b>

**Table A – Portfolio holdings as at 31 December 2025**

Issuer	Non-financial goal, primary alignment	Score
Aberdeen Group	Decent work	6
ABN Amro Green Bond	Energy and climate	10
Aegon	Decent work	6
African Development Bank Hybrid Capital Bond	Energy and climate	16
AG2R La Mondiale	Resilient institutions	13
Alnwick Garden Trust	Inclusive economies	13
American Museum of Natural History Sus Bond	Inclusive economies	11
American Student Assistance Social Bond	Inclusive economies	13
Athora	No material alignment	0

# Sustainability metrics (continued)

Table A – Portfolio holdings as at 31 December 2025 (continued)

Issuer	Non-financial goal, primary alignment	Score
Audax Renovables Green Bond	Energy and climate	14
Aviva	Resilient institutions	12
AXA	Resilient institutions	13
Banco Bilbao Vizcaya Argentaria	Inclusive economies	11
Banco Santander	Inclusive economies	10
Beazley	Resilient institutions	13
Belong	Inclusive economies	14
BNP Paribas	No material alignment	0
BPCE	Energy and climate	6
Bridge Housing Sustainability Bond	Inclusive economies	12
Brit Insurance	No material alignment	0
Broadband for the Rural North	Innovation and infrastructure	14
BT	Innovation and infrastructure	10
Bupa	Health and wellbeing	11
Burnham and Weston Energy CIC	Energy and climate	14
CaixaBank	Inclusive economies	10
California Endowment	Inclusive economies	14
Canal & River Trust	Health and wellbeing	14
Charities Aid Foundation	Inclusive economies	14
Clarion Housing	Inclusive economies	14
Clarion Housing Social & Sustainability Bond	Inclusive economies	14
CNP Assurances	Resilient institutions	10
Coigach Community CIC	Innovation and infrastructure	14
Commerzbank	Energy and climate	6
Co-operative Bank Green Bond	Energy and climate	11
Coventry Building Society	Resilient institutions	10
Crédit Agricole	Energy and climate	6
Derwent London	Innovation and infrastructure	9

# Sustainability metrics (continued)

**Table A – Portfolio holdings as at 31 December 2025 (continued)**

Issuer	Non-financial goal, primary alignment	Score
Dolphin Living	Inclusive economies	13
Dudgeon OFTO	Innovation and infrastructure	12
Ecology Building Society	Innovation and infrastructure	10
Ellenbrook Developments	Health and wellbeing	10
European Investment Bank	Innovation and infrastructure	13
Finance for Residential Social Housing	Inclusive economies	11
Fortuna Consumer Loan ABS	Inclusive economies	14
Generali	Decent work	6
Generali Green Bond	Energy and climate	11
Getlink	Innovation and infrastructure	10
Glasgow Together	Inclusive economies	13
Golden Lane Housing	Inclusive economies	15
Goldman Sachs	No material alignment	0
Grainger	Energy and climate	6
Greater Gabbard OFTO	Energy and climate	10
Green STORM B.V. RMBS	Energy and climate	13
Greensleeves Care	Inclusive economies	15
Gwynt y Môr OFTO	Innovation and infrastructure	10
HERO Funding Green Bond	Energy and climate	12
Hightown Housing Association	Inclusive economies	13
Hiscox	Energy and climate	6
HSBC	No material alignment	0
Iberdrola Green Bond	Energy and climate	16
IBRD Amazon Reforestation-Linked Bond	Energy and climate	17
ING	Decent work	6
Intl Bank for Reconstruction and Development	Innovation and infrastructure	14
Investec	Decent work	6
Just Group	Resilient institutions	9

# Sustainability metrics (continued)

**Table A – Portfolio holdings as at 31 December 2025 (continued)**

Issuer	Non-financial goal, primary alignment	Score
Just Group Sustainable Bond	Inclusive economies	11
Leeds Building Society	Resilient institutions	11
Legal & General	Resilient institutions	12
Linton Hydro	Energy and climate	13
Lloyds Bank	Resilient institutions	11
Logicor Green Bond	Innovation and infrastructure	12
London & Quadrant Housing	Inclusive economies	14
London & Quadrant Sustainability-Linked Bond	Inclusive economies	13
M&G	Decent work	6
Motability Operations	Inclusive economies	15
Motability Operations Social Bond	Inclusive economies	12
National Grid	Energy and climate	10
Nationwide Building Society	Resilient institutions	11
Nature Conservancy	Habitats and ecosystems	16
Nature Conservancy Green Bond	Habitats and ecosystems	16
NatWest	Energy and climate	6
NN Group	Resilient institutions	12
Nottinghamshire YMCA	Inclusive economies	14
Novobanco	No material alignment	0
Oaknorth Bank	Energy and climate	6
Orbit	Inclusive economies	12
Paces Sheffield	Inclusive economies	14
Paradigm Housing	Inclusive economies	0
Paragon Banking Green Bond	Energy and climate	10
Peabody	Inclusive economies	12
Pension Insurance Corporation	Inclusive economies	10
Phoenix	Resilient institutions	13
Places for People	Inclusive economies	13
Platform Housing	Inclusive economies	12

# Sustainability metrics (continued)

Table A – Portfolio holdings as at 31 December 2025 (continued)

Issuer	Non-financial goal, primary alignment	Score
Platform Housing sustainability bond	Inclusive economies	10
Principality Building Society	Resilient institutions	10
QBE Insurance	Decent work	6
Quilter	Decent work	6
Resolution Life Group - RLGH Finance	No material alignment	0
Rothsay Life	Energy and climate	6
Rothschild	Energy and climate	6
Royal London	Energy and climate	6
Saffron Building Society	Resilient institutions	8
Sage	Decent work	0
Schroders	Energy and climate	6
Secure Trust Bank	Decent work	6
Skipton Building Society	Resilient institutions	10
SNCF Green Bond	Innovation and infrastructure	12
Société Générale	Energy and climate	6
Société Générale Green Bond	Energy and climate	14
South Bristol Sports Centre	Health and wellbeing	10
Sovereign Housing Capital Sustainability Bond	Inclusive economies	12
SSE Green Bond	Energy and climate	16
Stonewater Sustainability Bond	Inclusive economies	13
Suez Green Bond	Resource efficiency	13
Supermarket Income REIT	Energy and climate	6
Swiss Re	Resilient institutions	12
Thera	Inclusive economies	14
TP ICAP	No material alignment	0
Triodos Bank Green Bond	Energy and climate	11
TT Group	No material alignment	0
UK Government Green Gilt	Energy and climate	15

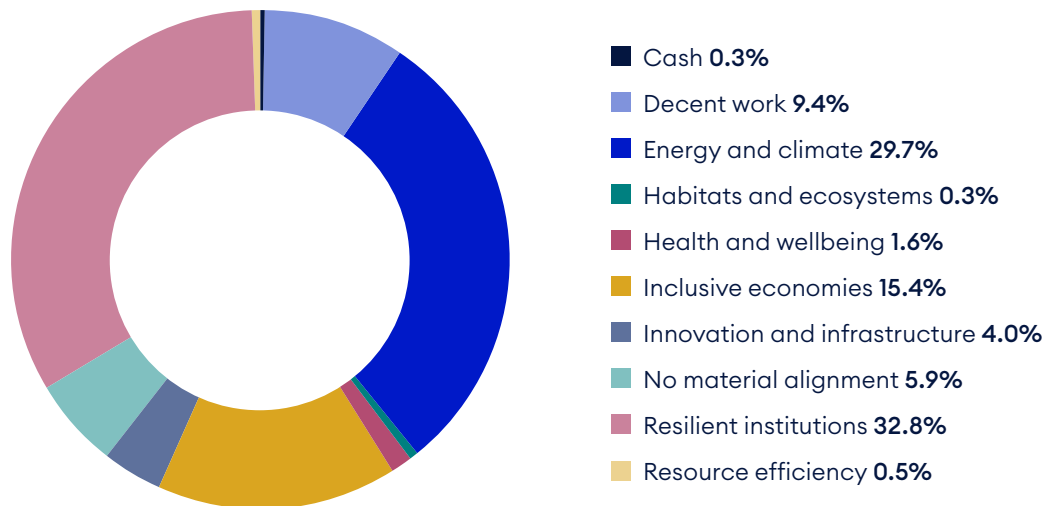
# Sustainability metrics (continued)

Table A – Portfolio holdings as at 31 December 2025 (continued)

Issuer	Non-financial goal, primary alignment	Score
Vital Energi	Innovation and infrastructure	14
Welltower	Inclusive economies	12
West of Duddon Sands OFTO	Innovation and infrastructure	11
Whitbread	Energy and climate	6
Wise	Innovation and infrastructure	13
Ygrene Solar Green Bond	Innovation and infrastructure	11
Yorkshire Building Society	Resilient institutions	11
Zurich Insurance	Energy and climate	6

Source: Rathbones Greenbank.

## Portfolio alignment to non-financial goals



# Additional information

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**The value of investments and the income from them may go down as well as up and you may not get back your original investment. Past performance should not be seen as an indication of future performance.**

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